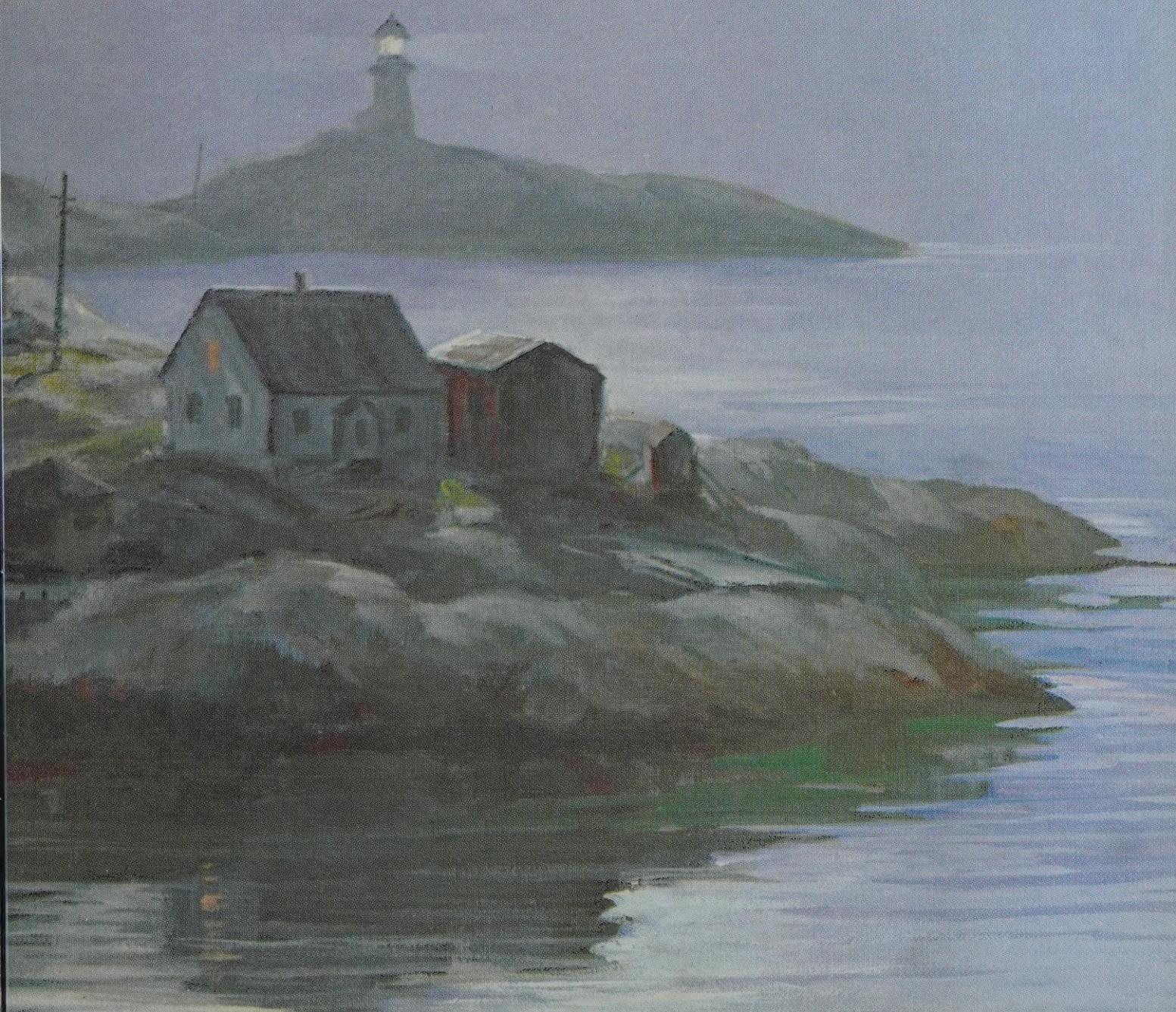


AR17



ANNUAL REPORT - 1965





SERVICE
IS
OUR
BUSINESS

We are well aware of our responsibilities to the public in providing mass transportation in the City of Halifax and electric service to half the people of Nova Scotia.

We know that electricity has become a necessity for all and that its increasing use makes the greatest contribution to a rising standard of living.

Our major job is to produce electricity and deliver it where it is needed, when it is needed and at the lowest possible cost.

We operate modern thermal and hydro generating stations and a network of power lines which reach into the most remote parts of our service area.

We employ 1,200 men and women to plan and operate our ever-growing facilities and provide reliable service to all our customers.

We devote real effort to promoting the industrial, economic and cultural development of Nova Scotia.

The results of our efforts can be seen in the continuing growth of the Company and its acceptance by the people we serve.

THE NEW NOVA SCOTIA

Visible signs that reflect the vitality of the economy can be seen from one end of the Province to the other. They can be seen in the large number of dramatic new industries . . . in the expanded operations of traditional industries . . . in the labor force, the largest ever and still increasing . . . in the expansion of universities, research facilities, schools and hospitals . . . in the growth of urban centres . . . in the bustling increase in the tourist business . . . and in new and broadening cultural and recreational facilities.

The concentrated effort being put behind the economy by the Provincial Government, the Voluntary Economic Planning program, Industrial Estates, the Atlantic Development Board, and other groups and agencies point to even faster future growth.

NOVA SCOTIA LIGHT AND POWER REPORTS FOR THE YEAR 1965 . . .

. . . . to inform the stockholders of the progress of company operations and the use that has been made of the funds they provided to make possible the existence and continued growth of the business.

. . . . to tell the employees, who are devoting their careers to the business, the results that have been accomplished through their endeavours.

. . . . to assure the people and communities we serve that we have forward looking plans to meet fully and economically the growing needs for electric service.

CONTENTS . . .

	Page		
Highlights	2	Map of Territory.....	14
Financial	3	Electric Heat Installations.....	17
Comparative Funds Statement.....	5	Transit	18
General Operation	6	Employees	19
Electric Production	8	Safety	20
Construction	10	Public Relations	20
Sales and Promotion.....	12	Stockholders	21
Cost of Living Items.....	13	Future	21
		Statistics	22
		Source and Disposition of Revenue	23
		Balance Sheet	24
		Statement of Income.....	26
		Statement of Retained Earnings....	27
		Notes to Financial Statements.....	28
		Officers	29
		Directors	29
		Auditors	29
		Transfer Agents	29
		Registrars	29
		Head Office	29

FRONT COVER AND THE ARTIST

The tiny fishing hamlet is nestled down on the wave-battered Atlantic ledge.

The sea, drenched with moonlight, is now peaceful, as if sharing the repose and quiet relaxation of the fisherman and his family.

The lighthouse, sentinel of warning and guidance to the anxious mariner, stands as a reminder of the uncertainty of the elements from which man wrests his livelihood.

In this evening scene W. E. DeGarthe, F.I.A.L., has placed on his canvas man and Nature at rest.



Copies suitable for framing
are available upon request
to the Secretary.



HIGHLIGHTS OF 1965 . . .



* GROWTH WAS IMPROVED



The accelerated economic growth which was recorded in every sector of Nova Scotia's economy was aided by the efforts of the Company and reflected in the improvement of its own business.

* RECORD REVENUES WERE ACHIEVED



Revenue from operations (Gross Revenue) was \$24,818,073, up 10.2% over 1964, up 111.9% in ten years. More customers and better living electrically contributed to this new record.



* MORE ELECTRICITY WAS SOLD

Vigorous sales effort, economic growth and more customers pushed sales to a new high of 983,892,636 kilowatt hours, 9.5% over 1964, up 143.7% in ten years. (An additional 275,011,000 kilowatt hours were sold to interconnected utilities).



* OPERATING EXPENSES WERE HELD DOWN

Operating expenses, which rise with Company growth and the effects of inflation, were held down through improved efficiency to \$19,006,317. This includes all fuel costs as well as the depreciation on the new Tufts Cove Station.



* NEW GENERATING STATION WAS BUILT

The new Tufts Cove 100,000 kilowatt thermal generating station was commissioned. It increased the Company's generating capability by 50%. It added 20% to investment in plant and equipment.



* EARNINGS WERE MAINTAINED

Through careful planning the substantial addition to plant value was absorbed in the year's operations which resulted in earnings of \$1.69 per share on Ordinary Stock.

The magic of electricity is apparent everywhere you look. You can see it in your own home, on farms, in offices, in industry, in hospitals. You can see it on the streets, in trains, in the planes that fly the skyways, and now in rockets that orbit the earth.

With the flick of a switch you can put electricity to work for you in countless ways. Many of the good things we take for granted are entirely dependent on electric power.

An even more remarkable feature of electricity is its low cost.

NOTE TO STOCKHOLDERS AND EMPLOYEES

After you have read this report, you can help to broaden the public's understanding of your Company's policies and progress by passing it on to a friend or neighbour.

YOUR
DIRECTORS REPORT
FOR THE YEAR



Record operating results demonstrated again the close relationship between the use of electricity and the vigorous economic growth of the Province.

The story is one of major increase in generating capacity, record sales of electricity to more customers with resulting revenues higher than ever before, improved operating efficiency, better service to customers and fine teamwork of employees.

The strong position of equipment and personnel will permit the Company to improve its performance with reduced capital expenditures during the next five years.

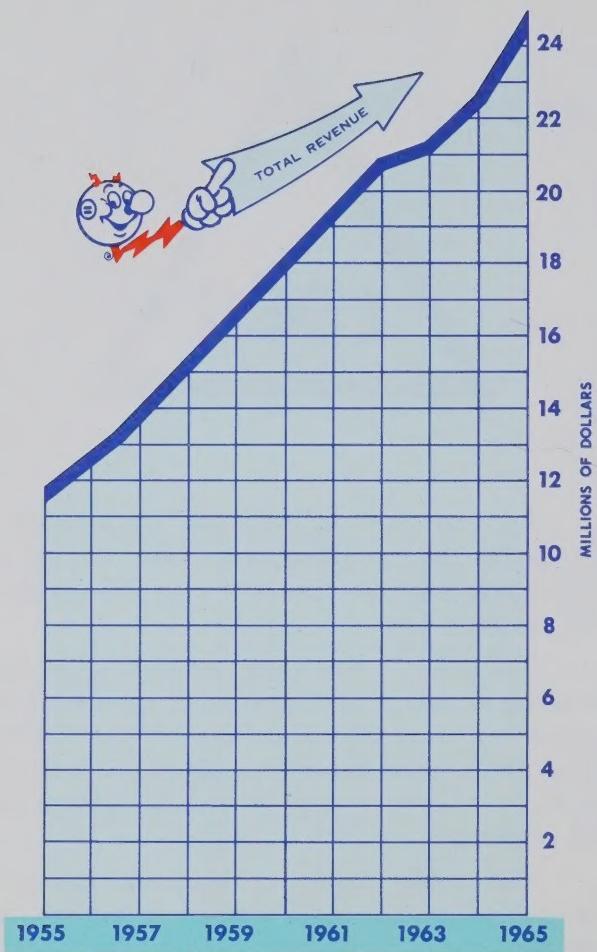
FINANCIAL

Increased sales and continued emphasis on operating economies, resulted in higher than anticipated earnings in 1965. These factors offset the expected first-year effect on earnings from the commissioning of the new Tufts Cove generating facilities.

Revenues for 1965, the highest ever recorded, were \$24,818,073, an increase of 10.1% while operating expenses, excluding fuel costs, but including depreciation on the new Tufts Cove plant, rose by 8.7% to \$13,949,273. Fuel costs were up in proportion to the increased bulk sales to other utilities in New Brunswick and Nova Scotia. Earnings per ordinary share for 1965 amounted to \$1.69, up from \$1.65 in 1964.

The charge against income in 1965 for depreciation amounted to \$3,675,700, compared

with \$2,979,097 for 1964. This large increase resulted mainly from the addition to plant of the Tufts Cove Station and is one of the major factors affecting operating results for the year. Depreciation is calculated at rates approved by the Nova Scotia Board of Commissioners of Public Utilities. The Company has again taken advantage of the fact that for income tax purposes the rates of depreciation are considerably higher than those approved by the Board of Commissioners of Public Utilities, and has realized a tax deferment for 1965 amounting to \$232,242. The cash equivalent of this deferment, together with other internally generated funds, has been applied to costs of plant expansion, thus substantially reducing Company borrowing requirements. The amount of tax deferred has been set up in the Balance Sheet as "Accumulated Income Tax Applicable to Future Years".



Operating taxes paid to municipalities in the Company's service area amounted to \$1,219,756 for 1965, while the Federal income taxes payable resulting from the year's operations amounted to \$2,508,464, before deducting the tax deferment referred to above.

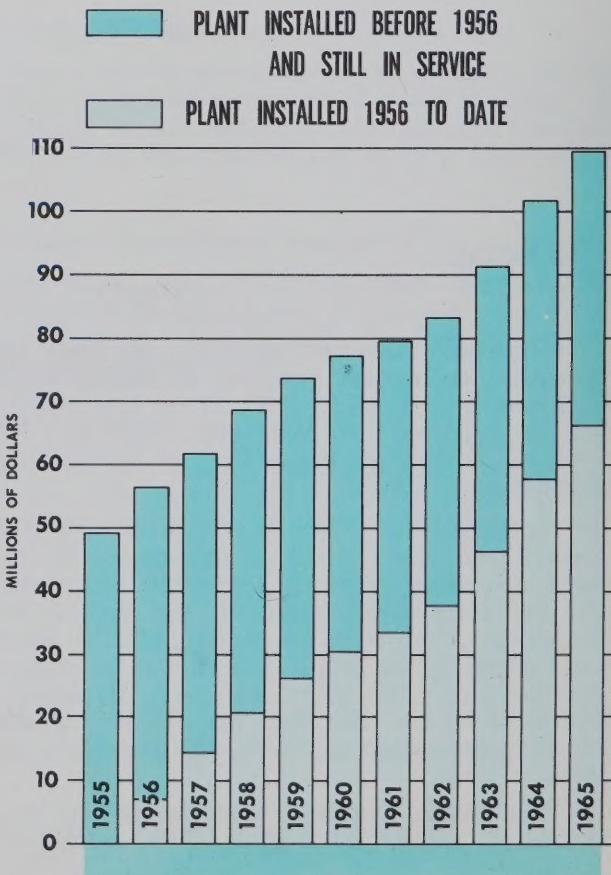
After years of negotiating, and the presentation of numerous briefs on behalf of the investor-owned electric utilities and Provincial Governments in Canada, in all of which your Company played a vital and active role, the Federal Government announced, following a Dominion-Provincial conference, that it would rebate full Federal income taxes paid by electric utilities, to the Government of the Province wherein they are collected. (For some years less than half of Federal income taxes paid by the Company had been returned to the Government of Nova Scotia.)

While legislation has not yet been set up to cover this, your Company feels that a major step has been taken to remove the existing discrimination between investor-owned electric

utilities and those owned and operated by Provincial and Municipal Governments who are not required to pay income tax. It must be pointed out that none of this rebate will come to the Company. It will be received by the Provincial Government and used or distributed for the benefit of customers.

Revenue passengers carried on the transit system continued to trend downwards during the year. A loss of \$103,097 was recorded, compared with a loss of \$70,053 in 1964. Reductions or adjustments in service during off-peak hours were implemented during the year, and although these resulted in further operating economies, they were more than offset by the continued trend of decrease in riding. When projected results for 1966 indicated a further decrease in revenue, the Company applied to the Nova Scotia Board of Commissioners of Public Utilities for an increase in fares to bring them more in line with the Canadian average. A decision on this application is expected early in 1966.

INVESTMENT IN PLANT



The annual report for 1964 indicated that "A further issue of First Mortgage Bonds is anticipated for 1965." Preparations were made for this financing, but market conditions forced a postponement, and short-term financing was arranged pending more favorable conditions for a long term issue. It is hoped this will be possible in 1966.

The net income transferred to statement of retained earnings for 1965 was \$3,303,292, an increase of \$88,830 over 1964.

Stock purchases under the Employees'

Stock Purchase Plan amounted to 4786 shares by the 317 participating employees, a healthy indication of loyalty and support.

Ordinary Dividends, paid for the thirty-sixth consecutive year, amounted to \$1,634,073. Preference shareholders received \$530,557 at the designated rates.

Complete details of the operating results for 1965, with comparable results for 1964 together with the Auditors' Report and notes to Financial Statements are presented on pages 24 to 28 of this report.



COMPARATIVE FUNDS STATEMENT

In addition to general expenses

WE EXPENDED FOR

	1965	1964
Net Property and Plant Additions (see note below)	\$ 8,131,760	\$11,144,784
Increase in Inventory of Materials and Supplies	293,160	12,673
Sinking Funds for Bond Redemptions	720,252	494,284
Dividends to Stockholders	2,164,630	2,159,858
	11,309,802	13,811,599
Increase (Decrease) in Working Capital (Inventories not included)	(4,022,762)	3,020,118
	<u>\$ 7,287,040</u>	<u>\$16,831,717</u>

THESE FUNDS CAME FROM

Net Income for the Year	\$ 3,303,292	\$ 3,214,462
Amounts Charged not Requiring Funds (Depreciation, Amortization, etc.)	3,478,155	3,010,466
Sale of 5 3/4% Bonds	—	10,000,000
Sale of Ordinary Shares	107,463	93,804
Accumulated Income Tax Applicable to Future Years	231,661	480,353
Miscellaneous Items	166,469	32,632
	<u>\$ 7,287,040</u>	<u>\$16,831,717</u>

NOTE: Total Expended for New
Property and Plant

\$ 8,287,440

\$11,284,621

GENERAL OPERATION . . .

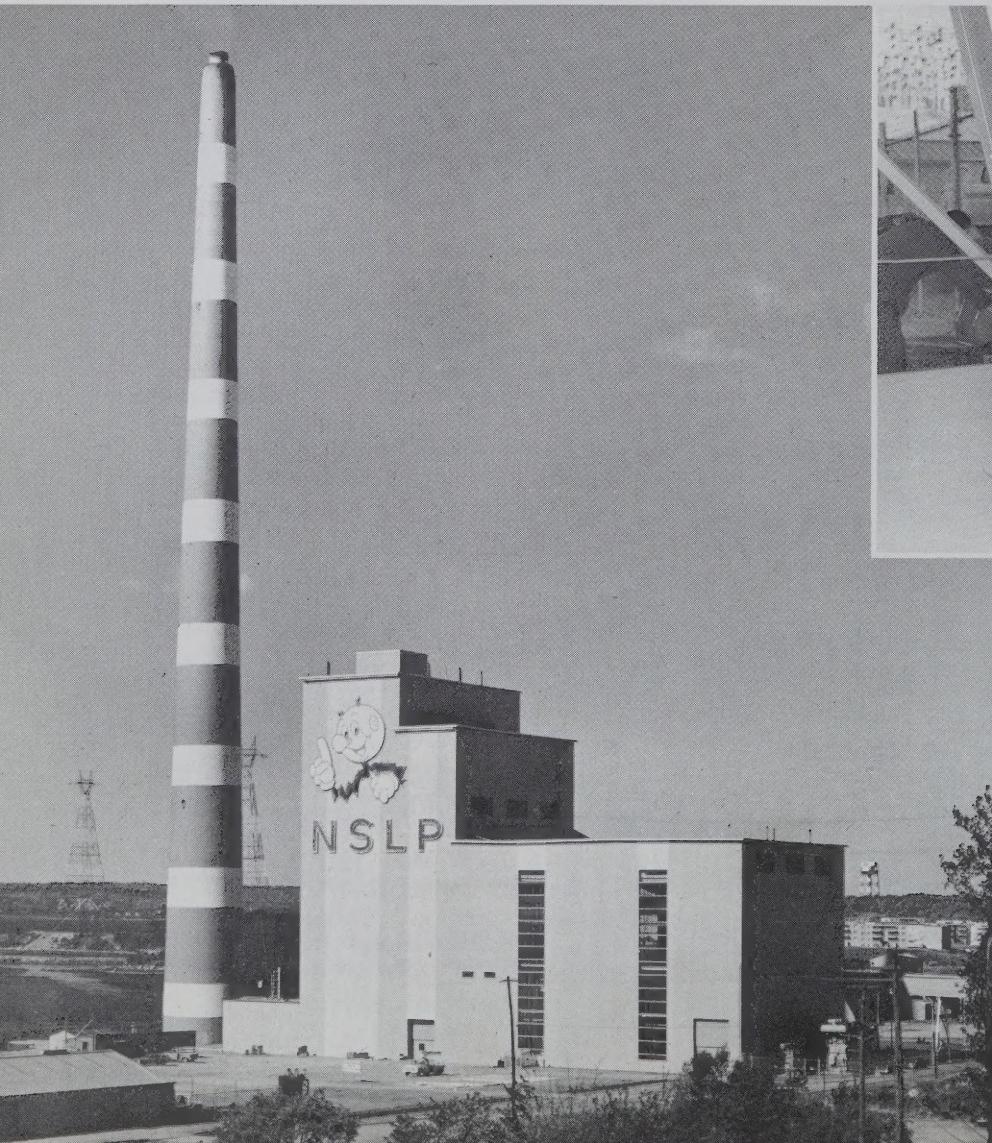
The most significant achievement of the year was the orderly manner in which the new Tufts Cove Thermal Generating Station entered the stream of operations.

The job was completed in time to meet commitments. It was the largest single addition to plant ever made by the Company. Its cost added almost twenty per cent to the capital invested in plant and equipment. Its entry into the financial structure of the Company did not materially affect the year's operating results because of the careful planning that has been done over the past four years.

Since the station was commissioned on September thirtieth it has been running at full load. One-quarter of its capacity and corresponding output is being sold to The New Brunswick Electric Power Commission under the terms of a year-long contract. The balance is being used on the Company's system to meet winter peak

load requirements and the increasing needs of customers as well as to release the capacity of other equipment for sale to The Nova Scotia Power Commission. The high efficiency of this new station will have a substantial effect in reducing operating expense through lower costs of producing electricity.

The Company continued its policy of using Nova Scotia coal as the basic fuel for thermal generation. Early in the year a contract, calling for the delivery of 2,100,000 tons of Cape Breton coal over a five year period, was signed with the Dominion Coal Company, Limited. The importance of this contract to the mining community as well as to the economy of the Province can be realized when it is expressed in terms of the employment for more than 600 men for five years. To this may be added the large contribution that this employment will make to allied and service industries.



J. C. MacKeen, Chairman of the Board, in his remarks prior to laying the cornerstone at the Tufts Cove Station, said "Through its policies and its record over the years the Company has won the confidence of financial circles not only in Canada but in other countries as well so that debt capital is readily available at attractive rates. It has been able to get and keep competent and loyal employees. I believe that it has earned through its own efforts, and those of its employees, a fine reputation of good citizenship in the cities, towns and communities it serves. And it has contributed substantially to the industrial, economic and social progress of Nova Scotia and its people."

The policies developed by the Federal Government through the Dominion Coal Board for assistance to the coal industry have made it possible for the Dominion Coal Company to supply this coal to the Company at prices competitive with other fuels.

Through this contract the Company's fuel cost is being reduced materially. This is having the effect of lowering the cost of electricity to most industrial users because their billing under present electric rates varies with the month-to-month average cost of fuel. By the latter part of the year the reduction had become sufficiently great for the Company to make application to the Board of Commissioners of Public Utilities for authority to reflect this decrease in published industrial rates. The reduction in fuel cost will also assist the Company to maintain residential and commercial rates in the face of inflation and large capital outlays for equipment.

The Company's forward looking policies, its planning for the future, its broad training programs and its effective sales efforts have combined to produce the steady and substantial growth that has been experienced.

With that growth there has been corresponding improvement in the reliability and quality of service to customers.

Through continuing improvement in the performance of employees and equipment, electric rates have been steadily reduced in spite of inflation and rising costs.

Throughout the year all the demands of the Company's customers as well as the unforeseen demands of interconnected utilities were met in full and on time.

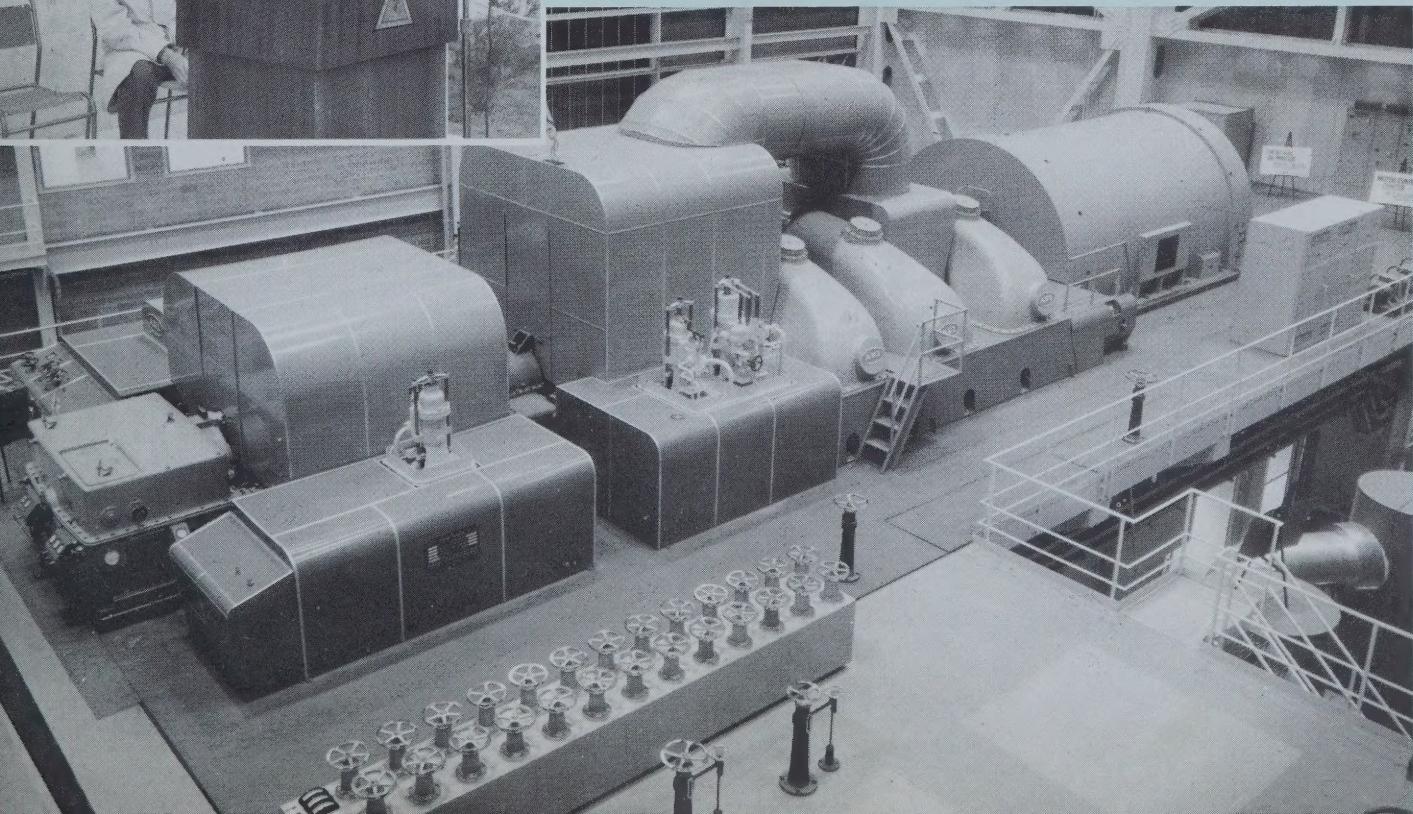
Generating equipment, distributing lines and all other equipment were maintained in first class condition.



At the official ceremonies to mark the commissioning of the Tufts Cove Station, A. R. Harrington, President, said "The completion of this station marks another important step in the progress being made by this investor-owned utility working side by side with government-owned utilities in jointly planning the integration of facilities for the benefit of all the electric customers in both Nova Scotia and New Brunswick."

The Hon. R. L. Stanfield, Premier of Nova Scotia, is seated.

7



ELECTRICAL PRODUCTION . . .

New records were again established in peak load, total production and sales to other utilities in Nova Scotia and New Brunswick. However, the story of producing the electricity needed to meet requirements is quite different from that of previous years. Two significant factors were responsible for the change. One was the extremely low rainfall throughout the year. The other was the commissioning of the new 100,000 kilowatt Tufts Cove Generating Station.

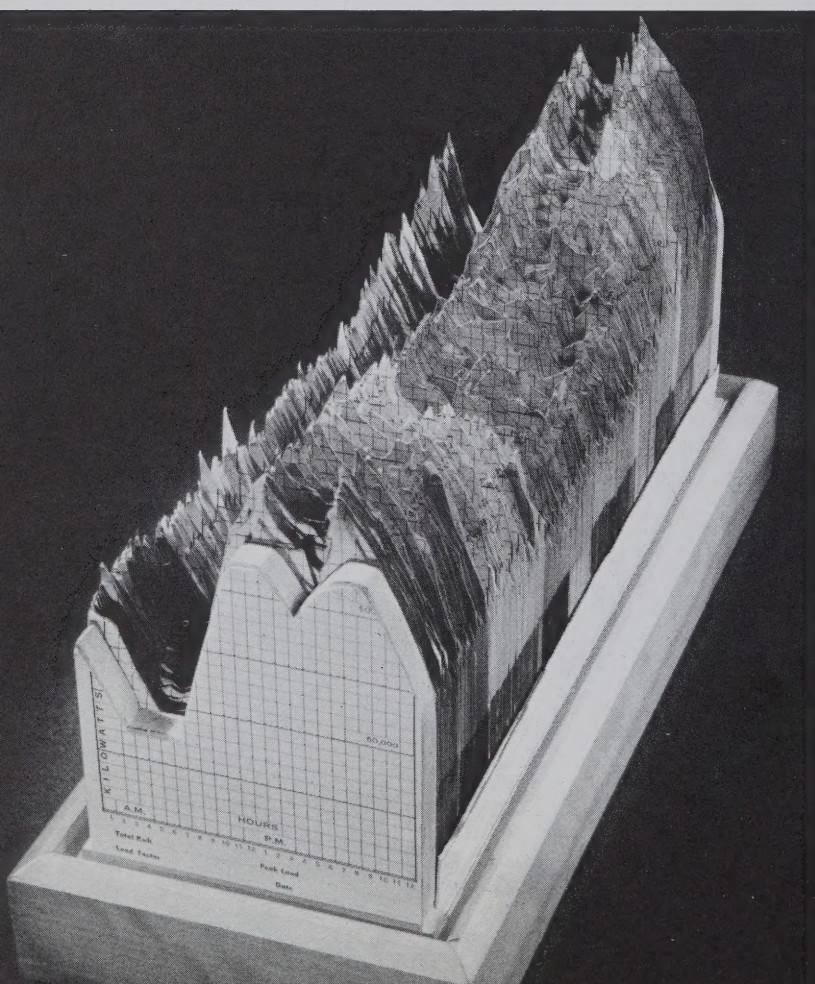
The net peak load established in meeting the requirements of the Company's retail customers climbed to 225,200 kilowatts, an increase of 11.3 per cent over the 1964 figure. The average increase over the past five years is 8.5 per cent. The gross peak load, which includes the sales to other utilities, reached 262,500. This is 42,500 more than in 1964.

The total energy requirements on the Company's system amounted to 1,080 million kilowatt hours, an increase of 98 million or 9.97 per cent over the previous year. For comparison it is interesting to look back to 1940, the first full year of World War II, when the total energy requirements were only 96 million, less than the amount of this year's increase. We have increased elevenfold in 25 years.

Sales over the Interprovincial Grid Line also reached an all-time high in 1965. During the first half of the year, stream flow on the Saint John River fell far below normal and energy sales to New Brunswick were substantial. By the end of March it was evident that the Western Network of The Nova Scotia Power Commission would need the support of thermal generation. The Commission's hydro storages were dangerously low.

Thermal power from the Company's generating stations was delivered to these two interconnected utilities on a steadily increasing basis throughout the year. The sales to The New Brunswick Electric Power Commission amounted to 150 million kilowatt hours, while the takings of The Nova Scotia Power Commission reached 125 million. The total is more than double the 1964 figure.

The value of the interconnected transmission system in Nova Scotia as well as the Interprovincial Grid Line to New Brunswick was amply proven. Without them there would have been serious power shortages and curtailment of industry in Western Nova Scotia and in New Brunswick.



Three Dimensional Load Graphs show the pattern of electrical use for the Company's 106,200 customers . . . a valuable aid in forecasting load requirements and planning the most efficient use of generating facilities.

Every day, beginning on January 1st, the electric load curve is cut out of cardboard and stacked in the box. The box contains 365 charts, one for each day of the year.

The amount of energy consumed at each moment varies according to the time of day, the day of the week and the season of the year. Other factors such as temperature, the hours of daylight and holidays which affect the living or working habits of customers, all have a bearing in producing either peaks or valleys in the load charts.

In a way these charts measure the living and working habits of the customers we serve.

The Company also suffered because of low rainfall and 1965 hydro output amounted to only 116.8 million kilowatt hours, 40 per cent below our forecast and only half of the record 1963 output. At the start of the year the Company's hydro storages were 63 per cent full, a satisfactory position. However, winter snow cover on the watershed areas was far below normal. Sunny weather during the spring melting period evaporated most of it and drastically reduced the normal spring run-off into storage lakes. During the remainder of the year the Maritime Provinces experienced the same drought conditions that prevailed all along the Atlantic seaboard. Precipitation for the year was the lowest in the 98 years that records have been kept.

Thermal generation did a magnificent job. It supplied the energy requirements of the Company's system and also reinforced the generating resources of the interconnected utilities who depend heavily on the hydro production. The Water Street Generating Station produced a record output of 1,091 million kilowatt hours, 25 per cent more than the previous year. The Tufts Cove Station started regular operation in late September. Running day and night at full

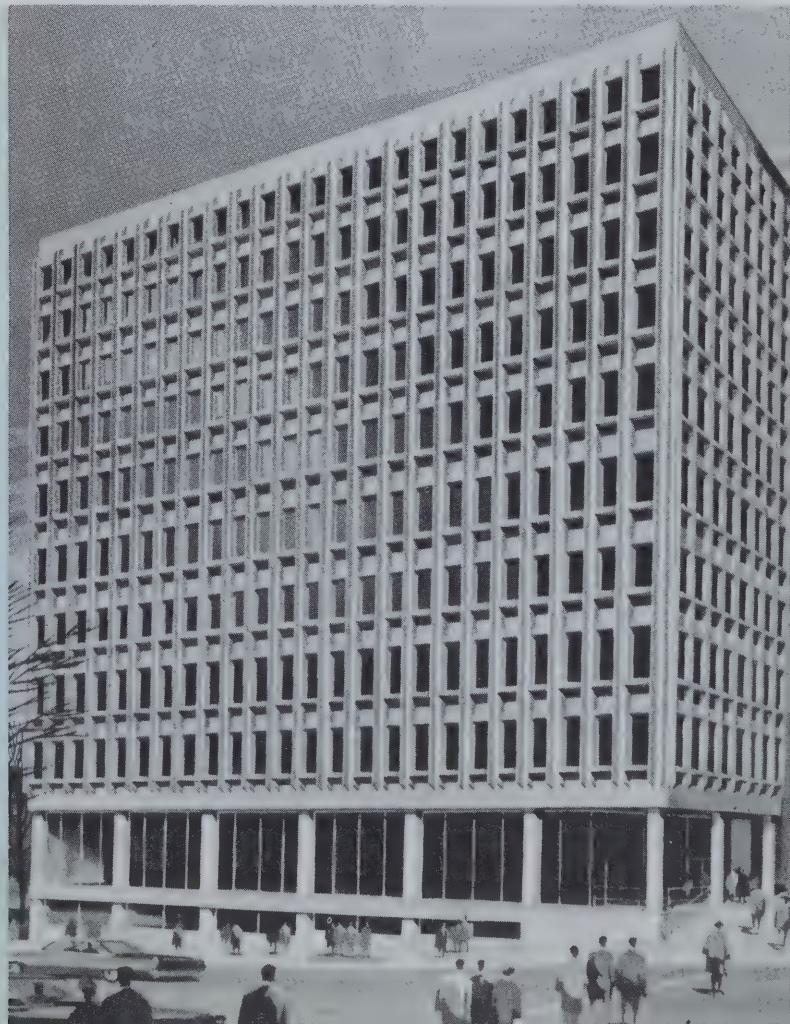
load, it has become the workhorse of the system. One-quarter of its output was shipped to New Brunswick, a smaller portion to The Nova Scotia Power Commission and the balance was fed into the Company's system. In its three months of operation, its output was 148 million kilowatt hours.

Even the Company's diesel station at Yarmouth, which has been on standby for several years, was pressed into service. In July when New Brunswick was experiencing severe drought conditions, the output of the diesel generators was sold to that Province. Later in the year when water conditions in western Nova Scotia became critical, the diesel units were again operated to reinforce the Commission's hydro plants in that area.

In providing for the energy requirements of the year, 86 per cent was produced in the Company's thermal stations while 11.7 per cent came from Company-owned hydro stations. The balance, 2.3 per cent, was purchased. The amount purchased was lower than usual. Low river flow in both Nova Scotia and New Brunswick drastically limited the amount of excess hydro for sale to the Company.

Another All-Electric Building. Now under construction on Spring Garden Road in Halifax, the Halifax Insurance Company's new building will be electrically heated and fully air-conditioned.

Electricity was chosen because of economies in construction, lower costs of operation and more comfortable climate in the building.



CONSTRUCTION . . .

The completion of the 100,000 kilowatt Tufts Cove Generating Station was the outstanding construction event of the year. It is one of the most efficient thermal generating stations in Canada. It added fifty per cent to the Company's generating capability.

We are proud of this new station. We built it ourselves. It was designed by our own engineers and local labor did the work. There were no serious or fatal accidents during the four years it took to do this \$17,000,000 job.

In its building, many difficulties and delays had to be met and overcome. For example, the delivery of the turbo generator at the site was six months later than promised. There was no time to assemble and test run it in the manufacturer's works. The tests and adjustments had to be made in the station itself. Work progressed on a round-the-clock basis. It took real effort and planning to overcome the delay and meet the required date for completion. But the job was done and the men who did it deserve the highest praise. It is a fine example of the skill and loyalty of our employees.

During 1965, capital expenditures amounted to \$8,287,440. Most of the money was spent for additions to generating capacity and upgrading of electrical equipment so that more electricity can be provided for better living in homes and greater productivity in industry and business.

The Company's equipment and facilities are now in a position to meet growing demands over

the next several years without major additions. Capital expenditures will, therefore, be somewhat less than they have been for the past four years. Amounts of \$7,500,000 and \$8,000,000 are forecast for 1966 and 1967, respectively. Overall operating results should show continued improvement at the end of this period.

The capital expenditures of \$42,500,000 over the next five years will be devoted largely to reinforcing the transmission and distribution systems to meet growing needs. The use of electricity has doubled in the last seven years. It must increase at an even faster rate if it is to keep pace with rapid economic and industrial growth of Nova Scotia.

If it were not for the Interprovincial Grid Agreement which provides for the sharing of generating capacity as well as its construction, capital expenditures would be considerably higher. Generating capacity already under construction in New Brunswick together with that expected by The Nova Scotia Power Commission, under the terms of the Agreement, puts the Company in an excellent position to consolidate the use of present equipment and delay the building of further major generating facilities for a few years. By that time it should be possible to consider the construction of even larger units with their attendant improvement in operating efficiency.

During 1965, in order to bring even better service to customers and meet their growing needs, a number of improvements and reinforcements were made to the distribution system.

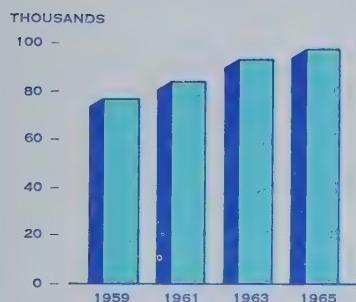


Work is well under way at the new high-voltage switching station at Sackville.

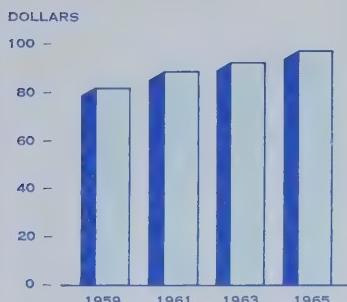
The 50,000 kva transformer has just arrived at the site. Preparations are being made to move it on to a concrete base which was built to receive it.

RESIDENTIAL USE OF ELECTRICITY

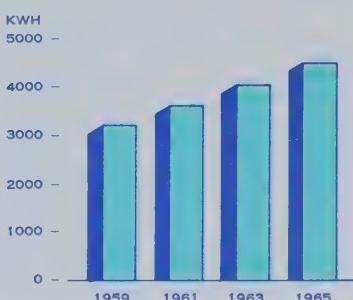
DOMESTIC METERS



ANNUAL AVERAGE REVENUE



ANNUAL AVERAGE USE



FOR FURTHER DETAILS SEE STATISTICS, PAGE 22

A new 50,000 kva high-voltage switching station was built at Sackville and four miles of double circuit 138,000 volt transmission was run from there to Lucasville. These additions provide better switching and control facilities for the Company's transmission grid. They also strengthen the interconnection with lines to the Annapolis Valley and The Nova Scotia Power Commission's grid line to the western part of the Province.

At Onslow a 20,000 kva, 138,000 to 69,000 volt tie substation was built. It was needed to reinforce this section of the grid and provide service to the Canada Cement Company's new plant at Brookfield.

The 69,000 volt transmission system was extended some 13 miles from Barrington to Lower Wood Harbour, and 6 miles from Tufts Cove to Imperoyal. Shorter extensions were made at Springhill to serve the new prison and at Imperoyal to serve the new FIOR Research Centre.

A new 7,500 kva substation was built on Yale Street in Halifax to provide for load growth in that part of the city. In Dartmouth, on Green Road, a 5,000 kva substation was needed in the bridge-head shopping centre area. The capacity of the Stewiacke substation was doubled from 1,500 to 3,000 kva. At Berwick and Milton, capacities were similarly increased. New substations to meet growing electrical loads were added at Falmouth, Windsor Forks, Barrington Passage and other communities in many parts of the service area. Still other installations were made to provide service to new industrial and commercial establishments.

In addition, hundreds of smaller jobs were done in upgrading distributing facilities to meet the growth in electric use that is taking place from one end of the system to the other.

Most of the capital expenditures in 1966 will be for further strengthening of the transmission grid and the distribution systems in the cities and towns served by the Company.



As Halifax rebuilds, the skyline changes. Old structures give way to modern multi-story buildings. It is a part of the dramatic change that is taking place in Nova Scotia as the pulse of industry and commerce quickens.

SALES AND PROMOTION . . .

New records were again established in sales of electricity and in the number of customers served. The story has been the same for 80 years, ever since a predecessor company built the first electric plant in Halifax in 1885. We have come a long way since then. Looking back over the years we take pride in the part the Company has played in the development of the Province and in the ever improving electric service it has provided for its people. Our accomplishments of the past and the experience we have gained spur us on to greater effort in the years ahead.

Sales of electricity to the Company's retail customers amounted to 983,892,636 kilowatt hours. This is an increase of 9.5 per cent over the 1964 amount, and is more than double the 1956 figure.

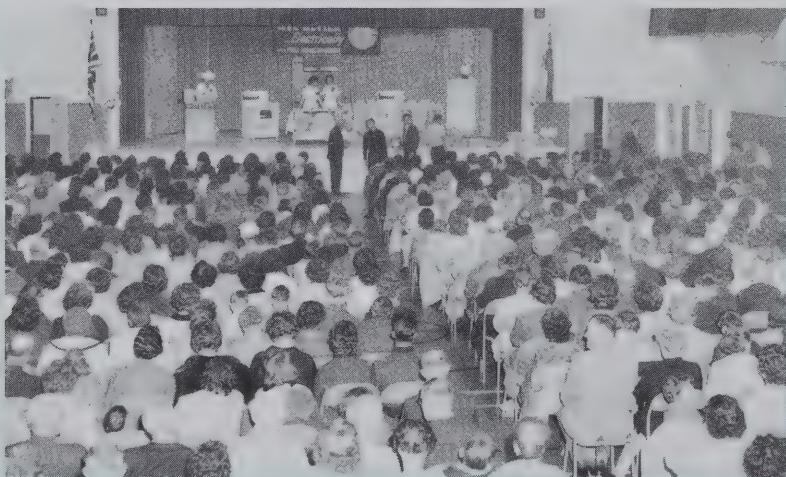
The increases were distributed over all classes of customers. There was increased use in homes and on farms, in business and in industry. While it is a measure of the economic and industrial growth that is taking place in Nova Scotia, the increases did not come from that alone. They are the result of vigorous sales effort to promote the wider use of appliances and all-electric living in homes as well as the greater use of labor-saving electrically-operated machines and equipment in industry and commerce.

Sales to residential customers totalled \$8,634,853 for a gain of 4.5 per cent over the 1964 figure. They represent 40.5 per cent of the electricity sold and they account for 40.4 per cent of the total revenue. This indicates an excellent customer structure to provide stability to the Company's business.

The average annual use by residential customers was 4,323 kilowatt hours, a new high and 970 more than in 1960. In the Halifax-Dartmouth metropolitan area it was considerably greater. It reached 5,098. The increase in residential use is significant because it is greater than that recorded as national average, both in Canada and the United States.

Pacing the economic growth of the Province were the sales to power users. They were up 16.5 per cent over 1964 and include the part-year operation of the new Canada Cement Company's Plant and the new FIOR Research Centre. In 1966, with the full year operation of these two large industries, power sales should climb at an even faster rate.

The growth in the use of electric space heating is exceeding our expectations. Its competitive cost with other fuels has been amply proven. Its advantages have captured the imagination of the building public.



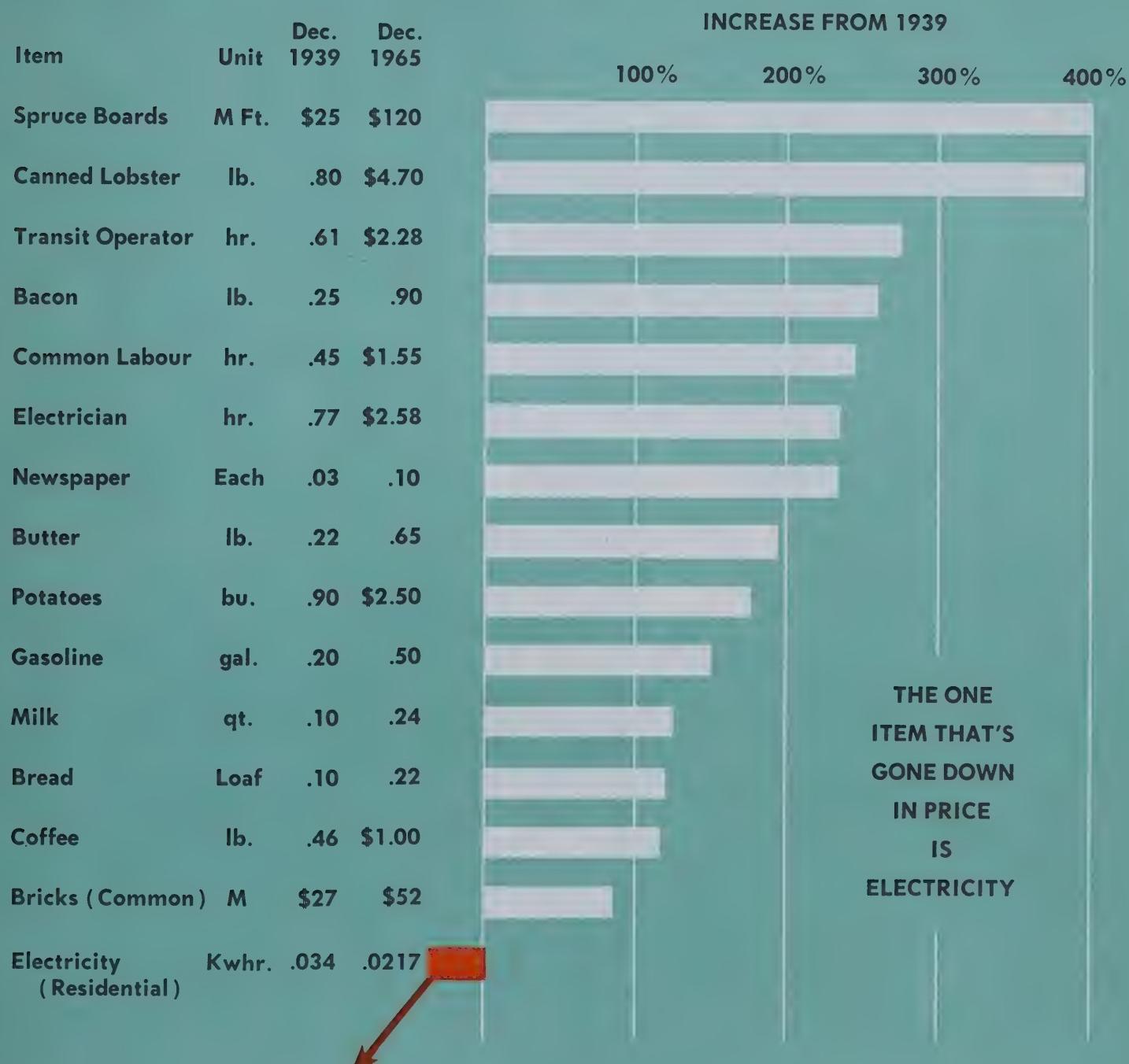
As a part of its sales program, the Company sponsors cooking schools in many communities throughout the service area.

Year after year their popularity and attendance increases. The load-building results have been most satisfactory.

The Company's exhibits at County Exhibitions and other Fairs have always attracted a lot of interest because they featured some aspect of better electric living. This display at the Atlantic Winter Fair was somewhat unusual. It featured the old and the new. It won great acclaim from the public . . . and first prize for the Best Industrial Exhibit.



TYPICAL RETAIL PRICES IN NOVA SCOTIA 1939 AND 1965



In these days of rising prices and increased cost of living, most of us think that the dollar buys less of everything than it did years ago. But this is not true of the dollar you spend for electricity.

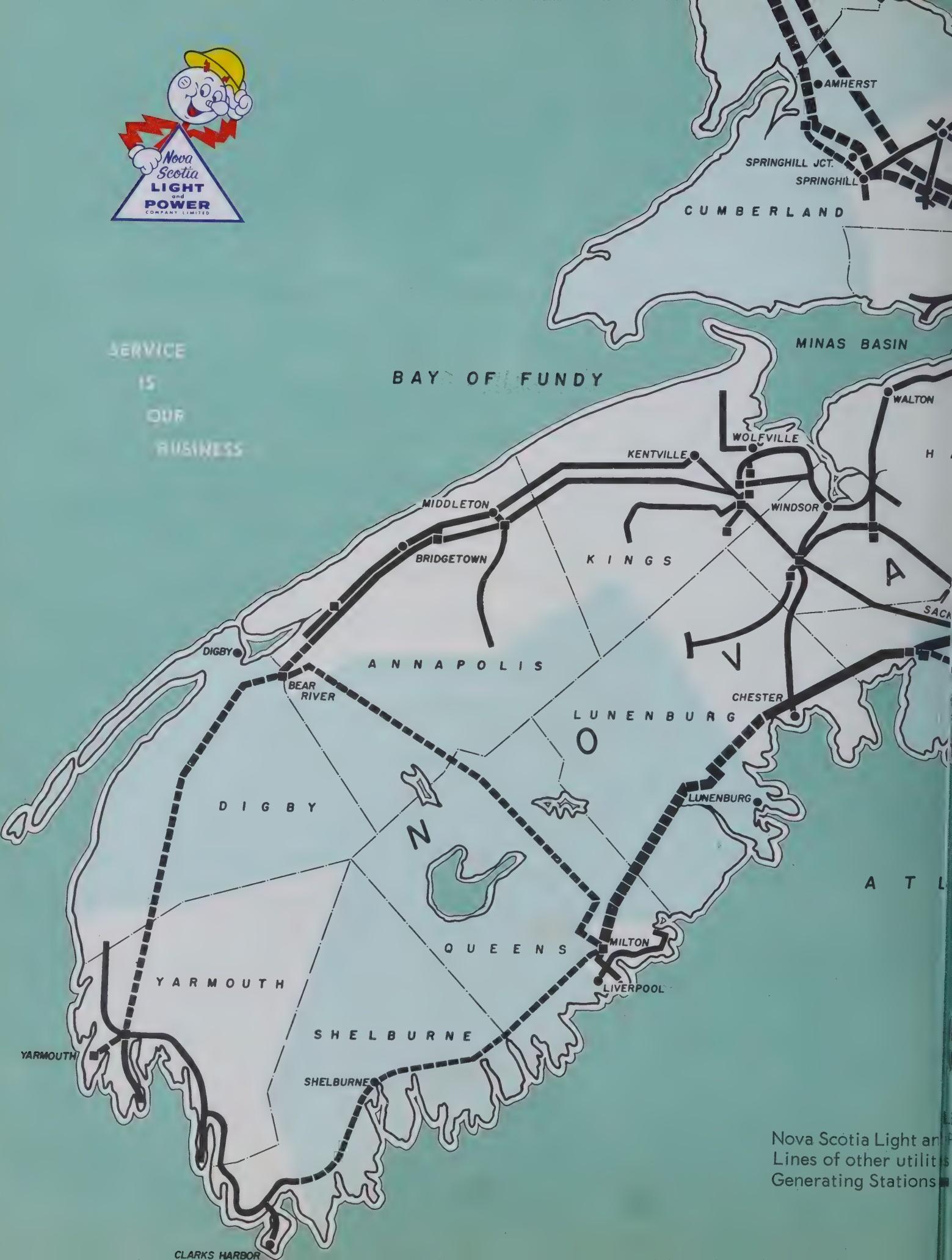
Due to greater use by customers and improvements in the Company's operating efficiency, the average cost of electricity has dropped steadily over the years. Today it costs much less than it did before the war in 1939.

You can put electricity to use in many more ways today without straining the family budget.

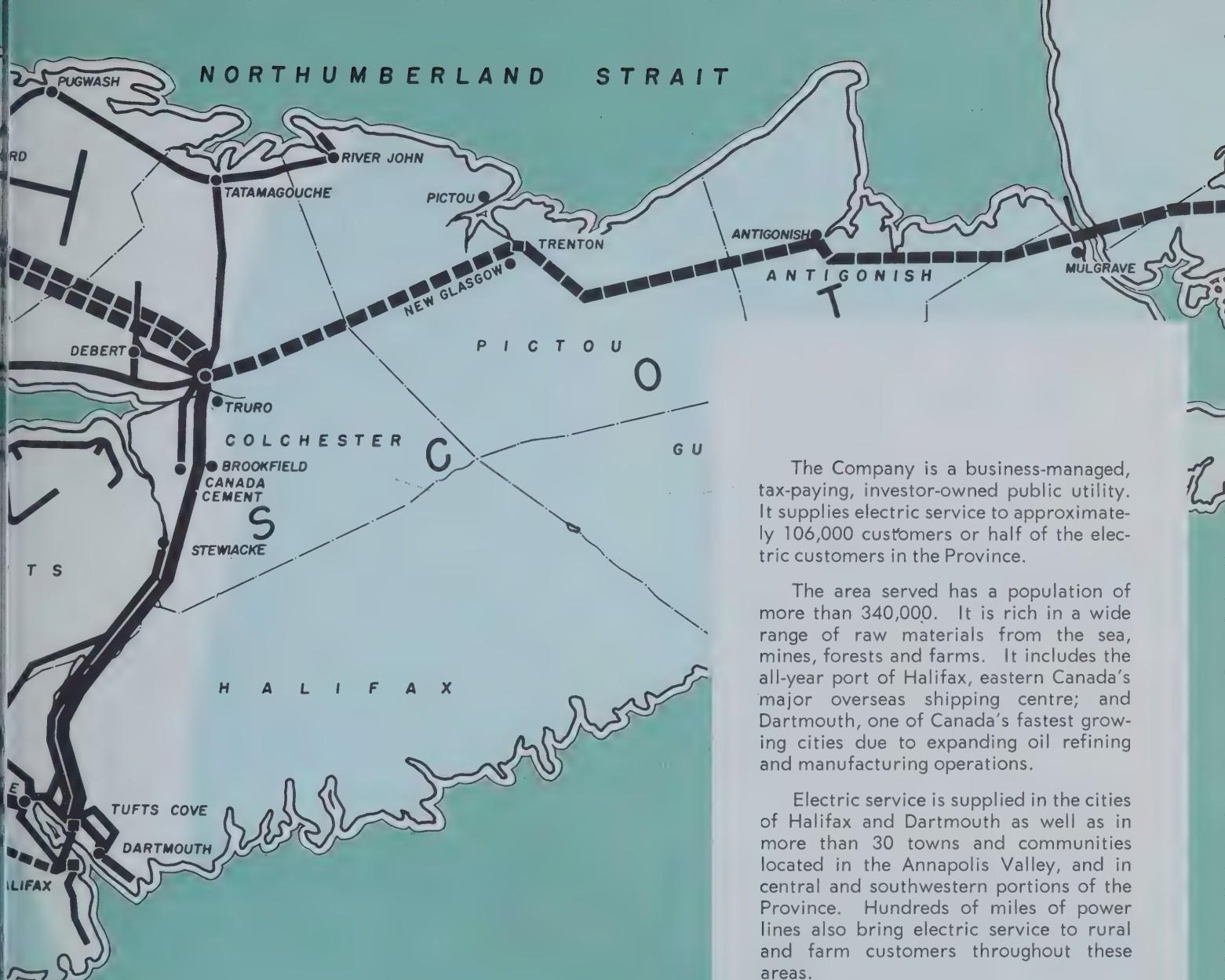
It's easier than ever to enjoy the benefits of electric living.



SERVICE
IS
OUR
BUSINESS



Nova Scotia Light and
Lines of other utilities
Generating Stations



The Company is a business-managed, tax-paying, investor-owned public utility. It supplies electric service to approximately 106,000 customers or half of the electric customers in the Province.

The area served has a population of more than 340,000. It is rich in a wide range of raw materials from the sea, mines, forests and farms. It includes the all-year port of Halifax, eastern Canada's major overseas shipping centre; and Dartmouth, one of Canada's fastest growing cities due to expanding oil refining and manufacturing operations.

Electric service is supplied in the cities of Halifax and Dartmouth as well as in more than 30 towns and communities located in the Annapolis Valley, and in central and southwestern portions of the Province. Hundreds of miles of power lines also bring electric service to rural and farm customers throughout these areas.

The Company's generating equipment includes both hydro and thermal plants, having a total capability of 320,000 kilowatts, which includes a new high-efficiency 100,000 kilowatt thermal plant added in 1965.

All high voltage transmission lines are interconnected into a main transmission system which provides a backbone for reliability and future growth. This system is also connected to the Interprovincial Grid Line which ties together the major utilities in Nova Scotia and New Brunswick.

The Company operates a mass transportation system within the City of Halifax, using electric trolley coaches and diesel buses.

The Company also supplies steam heating service in Halifax to the Railway and Ocean Terminals, and the Nova Scotian Hotel.

Electric heating is now enjoyed in hundreds of homes located in all parts of our service area. It can also be found in apartment buildings and motels; in office buildings and stores; in commercial poultry buildings and piggeries; and in warehouses. There seems to be no limit to the variety of installations and their number is growing faster than we had thought possible.

Company sales effort and promotion of better lighting by the industry as a whole is achieving good results. Higher levels of illumination are being installed. This is especially true in new office buildings, supermarkets, shopping centres and schools. It is also evident in the upgrading of lighting in older stores and buildings. However, much remains to be done and this challenging market offers real opportunity for future growth.

The most recent as well as long-term efforts to promote better street and outdoor lighting have been highly successful. The results can be seen any night in every city, town and community served by the Company. It can also be seen in the individual lights installed over the past three years as a result of a special night-lighting service. The Company provides and operates the outdoor lights for a flat monthly charge which varies with the size of the light. Sales continue at a steady rate of almost one hundred a month. Revenue from this service in 1965 amounted to about \$140,000.

16

Four years ago a stepped-up and well-balanced program to promote greater sales of appliances was launched. It was designed to get a greater number of appliances on the Company's lines with particular emphasis on water heaters, refrigerators and ranges because of their high load building nature. It included the setting up of subsidiary dealers with consignment stocks in a number of communities. It also provided an Adequate Wiring and Appliance Finance Plan to be operated in conjunction with electrical contractors and appliance dealers throughout the service area. It was backed by intensive advertising over television and radio as well as in newspapers and other media.

The results speak for themselves. In the four-year period the Company's appliance sales figure has doubled. In 1965 it passed the million dollar mark. Sales by other dealers have improved also. The Dominion Bureau of Statistics have reported for the past two years that the expenditure for electrical appliances per family in the Halifax area is more than double the national average. The 1965 report should be equally impressive.

Backing up its sales activities and to provide a necessary service to customers, the Company operates an appliance repair department. Both commercial and residential customers have available a day and night service. During 1965 this department handled more than 7,000 repair jobs.



A DOUBLE HEADER

Two outstanding examples of electrically heated buildings.

In the Nova Scotia Liquor Commission building, "The change from oil to electric heating reduced the annual heating costs by 10.7c per square foot. The heating was more satisfactory and stock was kept in better condition."

The 21 storey, 400 unit apartment building in the background is probably the largest building in the world completely heated by electric heating wires embedded in the ceiling plaster.

The trend is definitely to electric heating. In cities and towns throughout the Company's service area you will find hundreds of attractive homes, apartment buildings both large and small, office buildings, stores, post offices, churches, motels and restaurants which are heated electrically. Their number is growing day by day.



TRANSIT . . .

Transit results in 1965 again reflected the downward trends experienced during the past five years.

Traffic congestion on city streets was worse in 1965 than in any previous year. With the ever-increasing number of motor vehicles there appears to be little or no hope for any relief in the near future.

Under these conditions it is almost impossible to maintain schedules and provide the quality of service that the riding public desires and will support with their patronage. This problem is not confined to Halifax. It is prevalent in every urban centre. It is the most serious problem to be overcome in enabling transit systems to offer the quality service they are capable of providing . . . and to which the public is entitled.

With the proposed amalgamation of the City and suburbs, and the building of more bridges and traffic interchanges, there will be even greater economic pressure on the transit system. The time has come when Government, particularly at the municipal level, must accept some responsibility for the financial support of mass transportation because this service is so essential to the structure of the community as well as to the actual rider.

In the United States where traffic conditions in urban centres are more intensified, the Federal Government has already recognized the plight of mass transportation systems and has instituted a broad program of financial assist-

ance to maintain this valued and essential service. Some form of government support is urgently required here.

During the year, 12,463,329 revenue passengers were carried. This represents a drop of 5.5 per cent or 721,965 passengers when compared with 1964.

The decline in use caused a similar decline in revenue. Operating expenses, though more rigidly controlled than ever before, amounted to \$1,562,089. The net result was an operating loss of \$103,097 for the year.

With the approval of the Nova Scotia Board of Commissioners of Public Utilities, adjustments were made to curtail service during the off-peak riding hours. The adjustments resulted in savings amounting to about \$50,000.

After careful consideration of the several alternatives available to improve the operating results, the Company took what it considered to be, at this time, the most responsible move to improve results on a short term basis. Application was made to the Nova Scotia Board of Commissioners of Public Utilities for an increase in transit fares which would bring them more in line with fares charged in other cities across Canada.

The operating personnel deserve the highest praise for their excellent performance during the year in driving under extremely difficult traffic conditions and for maintaining vehicles and other equipment in first-class condition.

Professional Drivers—61 Trolley Coach Operators—received the National Safety Council's Safe Driver Awards. Thirty of these men have had "accident-free" records for four years or more . . . in this group there are 6 with an eight-year record, 4 with a nine-year record, 4 more with a ten-year record and one who has driven during summer and winter, day and night, in all kinds of weather for eleven years without an accident.



EMPLOYEES . . .

The statistics and accomplishments listed in this report are impressive; but they do not tell the story of the efforts and success of the Company's employees in performing their day to day work; nor do they tell of the problems that they encountered and overcame; nor do they describe the worthwhile contribution they made to community affairs; nor do they adequately convey a picture of the growth in skill and competence of the whole employee force.

It is with pleasure that your Directors express their sincere appreciation to all employees for a job well done and for the operating records they established.

The Company has always been able to recruit and keep capable employees because of the reputation it has established as a good place to work. New employees are carefully selected. They must meet high business and medical standards. They must serve a probationary period before becoming a part of the regular work force.

The employees have always been a well knit social group and have organized themselves in various ways. The Kilowatt Club deserves special mention. It sponsors a wide variety of social and athletic activities in its well-balanced program. Its magazine keeps members informed on Club events and many other areas of interest.

During 1965 the cost to the Company of all employee benefits amounted to more than \$800,000. The total payroll, which was the largest ever recorded, amounted to \$6,520,706.

Thrift and savings are encouraged by the Company which offers a plan to employees under which Ordinary Shares of the Company may be purchased. Increased pension payments in retirement years are made possible through greater contributions during working years. A payroll deduction arrangement for the purchase of Canada Savings Bonds is available. The Company has also encouraged an employee-operated Credit Union which has operated very successfully for many years.

The Company operates a broad scheme of training and development programs for em-

ployees at all levels of work and responsibility. Courses for senior management people are designed to improve their management skills so that they can make the maximum contribution of their ability to the Company and the community. Courses and training opportunities both within the Company and at outside institutions are provided for middle and junior management people. These are designed to develop people capable of filling top management positions in the future. For the past several years the supervisory training programs have emphasized the techniques of work study and critical path planning.

More than 100 management and supervisory employees are improving their own capabilities and, at the same time, are adding valuable depth to the management resources of the Company. The value of the training is shown in the growing competence of employees, which, in turn, is reflected in the continued improvement of Company operations.

Company employees at the end of the year numbered 1,049 men and 124 women. In this group 194 have more than 25 years of service; 310 have service ranging from 15 to 24 years; while 669 have been with the Company from 5-14 years.

During the year 20 retired to bring the total number of retired employees to 162.

The large number of career employees and their long records of service is gratifying to the Company. It indicates satisfaction with working conditions and policies which provide challenging career opportunities. The accumulated skill and experience of employees is also of value to customers because it provides them with high quality, efficient service.

Two-year Agreements were completed between the Company and the four Locals which represent the various operating staffs. The new contracts provided for a general wage increase for the year 1965 with another to be effective in 1966. Fringe benefits were also increased and the contracts gave effect to the new Canada Pension Plan.

IN MEMORIAM

It is with deep regret that your Directors record the death on May 28, 1965 of W. G. Macdonald, who was Executive Engineer. He had served for more than 50 years and made a greater contribution to the progress of the Company than is normally the lot of one man.

SAFETY . . .

The Company's safety and accident record for the year showed considerable improvement. No permanent disability or fatal injuries occurred. The record is noteworthy in that it was achieved during a year of heavy construction activity.

The completion of the Tufts Cove Generating Station without a single serious accident during its four years of construction was a gratifying accomplishment. It proved the value of the safety measures that were taken as well as the care exercised by all who worked on this job.

Regular safety meetings were held in all departments and in every part of the Company's service area. The most up-to-date safety equipment of many types and kinds has been provided for hazardous work. Great care and attention have been devoted to eliminating accident hazards. In short, every possible method has been used to make each and every employee safety conscious.

The Company's Safety Department carried its work into the general community by participating in a number of safety conferences held through the Province; by lecturing on safety to community and school groups; and by sending a copy of the Company's safety calendar to every classroom of every school in the company's service area.

In the area of general health, the Company conducted a chest X-ray program as well as influenza vaccine clinics.

The Company's float won top prizes in parades in Halifax and Dartmouth, as well as in other centres throughout the Province.

PUBLIC RELATIONS . . .

Your Company takes satisfaction in the excellent reputation it enjoys and in the high regard in which it is held by employees, by stockholders, by the community and by governments. This reputation has been built up by many years of good performance and honest effort in providing good service to customers and by meeting in full its corporate responsibilities through active participation in community affairs.

The confidence of stockholders has been gained by the building and running of an efficient business enterprise which has been sufficiently profitable to merit their continued support.

The loyalty, enthusiasm and cooperation of employees has been won by the adoption of sound industrial relations practices and attitudes that recognize the dignity of the individual, by providing excellent working conditions, good wages and salaries, broad training programs and splendid career opportunities.

The high regard which customers have for the Company results from the good service it has supplied, the increasing value and reliability of that service and from the skill, courtesy and friendliness shown by employees in their dealings with customers.

With the general public the Company enjoys an enviable reputation for good citizenship. Both the Company and its employees do their full share in actively and financially supporting Boards of Trade, Service Clubs, charitable and educational organizations and other groups who work for community betterment.

In the broader field of citizenship the Company works for the continued industrial, economic and cultural progress of Nova Scotia. In this endeavour the Company co-ordinates its own efforts with those of Provincial and Civic Governments, Industrial Estates Limited, the Atlantic Development Board, the Atlantic Provinces Economic Council and other agencies.



STOCKHOLDERS

At the end of the year the Company's Ordinary Shares were owned by 7,177 stockholders. The three classes of Preferred Shares were owned by 3,880 stockholders.

Satisfaction comes from the fact that the great majority of the stockholders are Nova Scotians, most of whom live in the areas served by the Company. The large local ownership, especially that of people who are customers of the Company, indicates the excellent reputation of the Company and its employees where its operations and policies are best known.

Most of those who have invested their savings in the Company are men and women in all walks of life who represent a typical cross-section of the people you will meet in any Nova Scotia community. Some shares are owned by educational and religious institutions, pension funds, private investment groups and others, thus providing even greater diversity of ownership. During 1965, in addition to investing their careers in the Company, 317 employees added to their investment in the Company by purchasing shares through the Employees' Stock Purchase Plan.

Practically all of the ten largest stockholders are trust companies, investment funds or corporations. Their total holdings amount to less than 20 per cent of the total. The Directors of the Company own less than 2 per cent of the shares. Thus, no stockholder or special interest group controls the Company.

The Management of the Company has always endeavoured to provide earnings for the stockholders that will be attractive when compared with other investment opportunities. The dividends paid maintain a sound balance between the proper re-investment in the Company's growth and income to stockholders.

Stockholders, the financial community and the general public, are kept fully informed as to the affairs and progress of the Company.

FUTURE

There are good reasons for confidently expecting greater sales, increased revenues and improved earnings in the years ahead.

The economy of the Nation and the Province is growing at a faster pace than ever before. In the Province itself the pace should continue to accelerate as a result of the efforts of Government, the Voluntary Economic Planning Program, the Atlantic Development Board, and other agencies.

Much progress has already been made. It can be seen in the new industries that have located here; in the expanding operations of traditional industries, and in the dramatic construction activity of all kinds. It can also be seen in the increasing number of motor vehicles and the expanding network of highways; in the growth of the tourist industry; in the increase in savings bank deposits; in the tremendous increase in the volume of retail sales; in the labor force, the largest ever, and still expanding.

The use of electricity continues to grow at an increasing pace and there are many reasons for believing that this growth will continue. Electric heating in homes and commercial buildings is growing by leaps and bounds. More people are enjoying better living through the use of more and more electrical appliances. New uses to which electricity is being put are limitless and offer exciting possibilities for future sales.

The Company's equipment is in a strong position to absorb the growth of the next few years without major capital expenditure. The employee force is well trained, capable and loyal.

With the continued support of stockholders and the good will of customers, we are in an excellent position to make a more substantial contribution to the progress of the Province and at the same time provide even better service to customers.

We shall devote ourselves to these objectives.



Chairman of the Board



President and General Manager



STATISTICS . . .

	1965	1964	1963	1962	1961
Revenue Sales					
Domestic	\$ 8,634,853	\$ 8,264,421	\$ 7,958,545	\$ 7,789,737	\$ 7,284,211
Commercial Light	3,202,648	3,133,054	3,202,360	3,089,470	2,936,395
Commercial Power	2,965,919	2,694,885	2,579,336	2,459,835	2,301,236
General Service Lt. & Pr.	3,012,283	2,706,574	2,624,276	2,403,587	1,934,433
Industrial Power	2,056,754	1,780,192	1,579,879	1,437,020	1,307,058
Other Electric Utilities	420,435	379,367	350,373	318,957	268,591
Miscellaneous	877,140	770,394	695,919	647,071	594,693
Consumer Forfeited Discounts	214,603	217,564	199,002	178,608	189,217
Total Revenue	\$ 21,384,635	\$ 19,946,451	\$ 19,189,690	\$ 18,324,285	\$ 16,815,834
Sales to Grid Interconnection	\$ 1,728,028	\$ 782,255	\$ 230,603	\$ 547,527	\$ 779,264
Kilowatt Hours					
Domestic	398,433,244	378,549,024	349,999,531	323,604,646	296,412,738
Commercial Light	95,959,400	93,517,288	88,004,978	83,039,333	79,041,850
Commercial Power	126,235,565	111,611,050	104,245,751	96,940,308	90,523,127
General Service Lt. & Pr.	137,044,983	123,386,695	113,496,882	104,204,712	82,929,428
Industrial Power	170,360,131	142,180,008	124,038,386	106,729,851	102,203,874
Other Electric Utilities	31,887,320	27,929,074	25,249,731	23,110,987	19,330,854
Miscellaneous	23,971,993	21,744,057	21,448,414	21,381,561	20,553,381
Total Sales	983,892,636	898,917,196	826,483,673	759,011,398	690,995,252
Sales to Grid Interconnection	275,011,000	128,742,300	39,721,500	83,209,878	104,212,418
Customers (as at December 31)					
Domestic	92,168	87,760	86,484	84,404	82,151
Commercial Light	8,711	10,039	9,658	9,639	9,470
Commercial Power	4,756	6,872	7,148	6,789	6,405
General Service Lt. & Pr.	471	343	134	97	81
Industrial Power	30	26	24	32	27
Other Electric Utilities	3	3	3	4	4
Miscellaneous	67	67	63	59	53
Total	106,206	105,110	103,514	101,024	98,191
Transit					
Operating Revenue	\$ 1,458,992	\$ 1,534,853	\$ 1,592,218	\$ 1,691,594	\$ 1,726,978
Revenue Passengers Carried	12,463,329	13,185,294	13,944,043	14,927,844	15,506,084
Revenue Coach Miles	1,850,101	1,994,642	2,115,405	2,231,503	2,298,772
†Employees					
Number as of December 31	1,173	1,203	1,116	1,132	1,171
Wages and Salaries Paid	\$ 6,520,706	\$ 5,816,864	\$ 5,356,630	\$ 5,204,022	\$ 4,962,459
Ordinary Stock					
Shares Outstanding Dec. 31*	1,635,845	1,631,059	1,626,196	1,621,964	1,618,204
Number of Stockholders	7,177	7,183	7,321	7,453	7,413
Dividends Declared on Ordinary Shares	\$ 1,634,073	\$ 1,629,301	\$ 1,543,353	\$ 1,296,459	\$ 1,050,983
Earnings per Share	\$ 1.69	\$ 1.65	\$ 1.53	\$ 1.53	\$ 1.27
Dividends per Share	\$ 1.00	\$ 1.00	\$.90	\$.80	\$.65
Preference Stock					
Total Par Value Preference Shares	\$ 11,786,200	\$ 11,786,200	\$ 11,786,200	\$ 11,786,200	\$ 11,786,200
Dividends Declared on Preference Shares	\$ 530,557	\$ 530,557	\$ 530,557	\$ 530,557	\$ 530,559

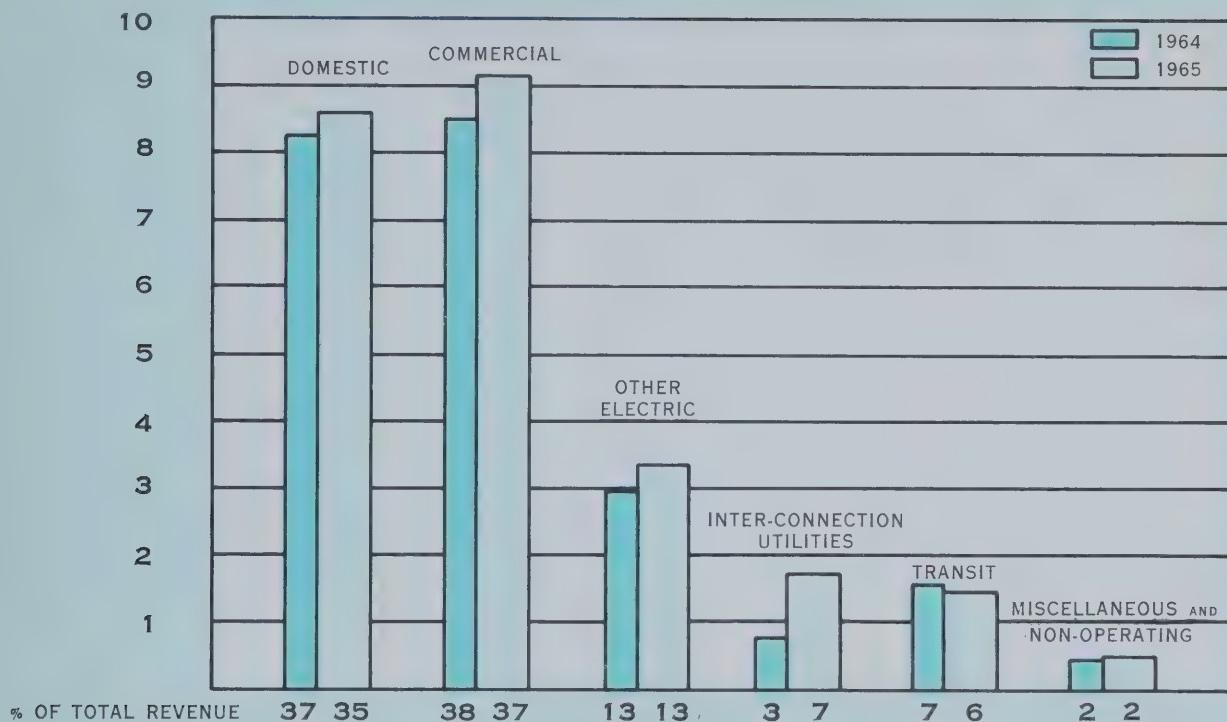
Revenue from Kilowatt hour sales to regular customers amounted to \$21,384,635; in addition, sales to interconnected utilities provided revenue of \$1,728,028; steam heat and other non-operating revenues account for \$246,418 making the total of \$23,359,081 shown on the Statement of Income (page 26).

*Includes construction.

*Change accounted for by sales to employees under employees' stock purchase plan.

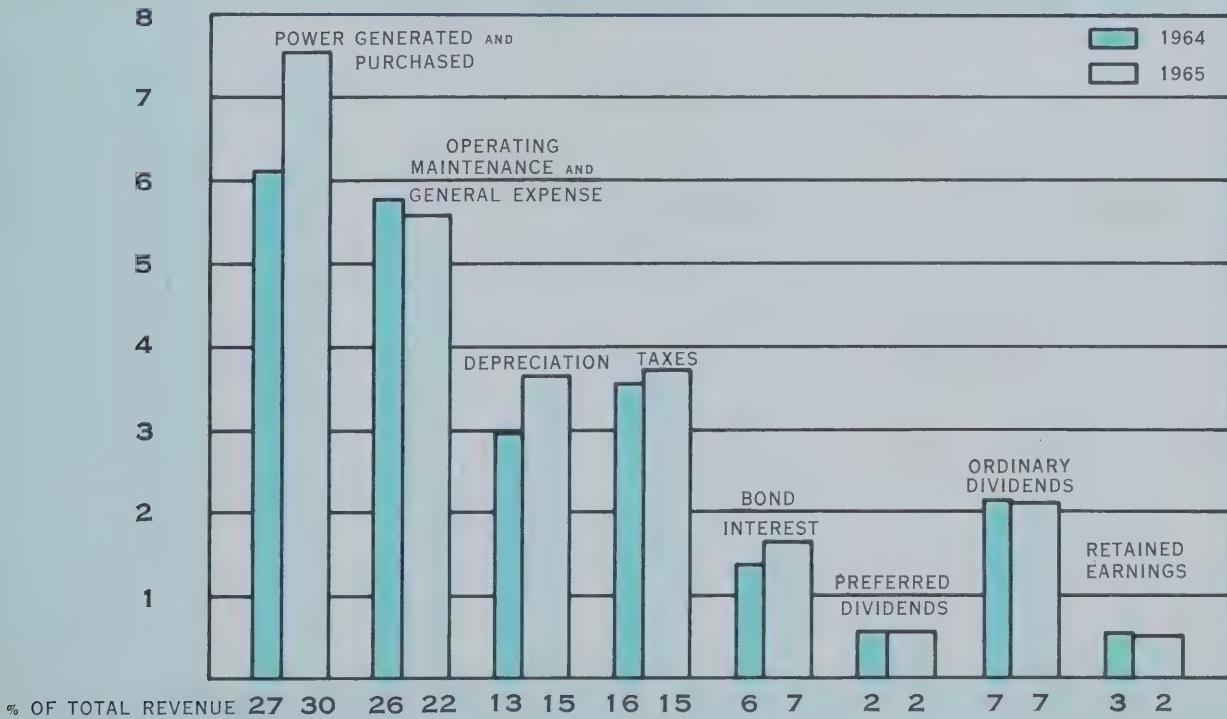
SOURCES OF REVENUE 1964 AND 1965

MILLIONS OF DOLLARS



DISPOSITION OF REVENUE 1964 AND 1965

MILLIONS OF DOLLARS





NOVA SCOTIA LIGHT AND POWER COMPANY, LIMITED

Balance Sheet as at December 31st, 1965

ASSETS

1965

1964

FIXED ASSETS

Utility Plant at cost

Electric	\$105,996,974	\$ 98,160,091
Transit	3,595,987	3,599,952
	<u>109,592,961</u>	<u>101,760,043</u>

SINKING FUNDS HELD BY BONDHOLDERS' TRUSTEE	53,752	114,500
--	--------	---------

UNAMORTIZED DISCOUNTS, PREMIUMS AND EXPENSE	—	378,626
---	---	---------

CURRENT ASSETS

Funds on Deposit or temporarily invested	40,685	2,499,009
Accounts Receivable	2,194,383	1,787,575
Materials, Supplies and Merchandise at average cost	1,766,196	1,473,036
Prepaid Expenses	180,573	126,874
	<u>4,181,837</u>	<u>5,886,494</u>
	<u>\$113,828,550</u>	<u>\$108,139,663</u>

Approved on behalf of the Board:

T.C. MacKee
Director

A. Barrington
Director



SHAREHOLDERS' EQUITY AND LIABILITIES

	1965	1964
SHAREHOLDERS' EQUITY		
Capital Stock (Note 1)		
Cumulative Preference Shares	\$ 11,786,200	\$ 11,786,200
Ordinary Shares	11,330,946	11,223,483
	<hr/>	<hr/>
Earnings Retained for use in the Business	23,117,146	23,009,683
Miscellaneous Reserves	12,571,551	11,911,575
	<hr/>	<hr/>
	618,576	549,592
	<hr/>	<hr/>
	36,307,273	35,470,850
	<hr/>	<hr/>
LONG TERM DEBT (Note 2)	33,418,000	34,031,000
	<hr/>	<hr/>
ACCUMULATED DEPRECIATION		
Electric	30,910,517	27,650,915
Transit	2,591,160	2,473,904
	<hr/>	<hr/>
	33,501,677	30,124,819
	<hr/>	<hr/>
ACCUMULATED INCOME TAX APPLICABLE TO FUTURE YEARS	3,849,037	3,617,376
	<hr/>	<hr/>
CURRENT LIABILITIES		
Bank Indebtedness	1,045,060	511,743
Notes Payable	1,500,000	—
Dividend declared, payable January 2nd (Ordinary)	408,961	407,765
Accounts Payable	2,084,230	2,058,314
Income Tax Payable	675,680	709,199
Interest accrued on long term debt	353,021	360,737
Consumers' deposits including accrued interest thereon	281,611	275,860
Long term debt payable within one year	404,000	572,000
	<hr/>	<hr/>
	6,752,563	4,895,618
	<hr/>	<hr/>
	<u>\$113,828,550</u>	<u>\$108,139,663</u>

The accompanying notes are an integral part of
this financial statement.



NOVA SCOTIA LIGHT AND POWER COMPANY, LIMITED

Statement of Income for the year ended December 31, 1965

	1965	1964
OPERATING REVENUE		
Electric Division	\$23,359,081	\$20,993,104
Transit Division	1,458,992	1,534,853
	24,818,073	22,527,957
OPERATING REVENUE DEDUCTIONS		
Cost of power generated and purchased (Note 3)	7,561,740	6,137,261
Operating, Maintenance and General Expenses	5,560,139	5,779,281
Taxes other than income taxes	1,219,756	1,050,831
Depreciation at rates approved by the Nova Scotia Board of Commissioners of Public Utilities	3,675,700	2,979,097
	18,017,335	15,946,470
OPERATING INCOME BEFORE INTEREST AND INCOME TAXES	6,800,738	6,581,487
INTEREST (Note 4)	988,982	822,929
NET INCOME BEFORE TAXES	5,811,756	5,758,558
Provision for income taxes including \$232,242 (1964, \$480,436) transferred to accumulated income tax applicable to future years	2,508,464	2,544,096
NET INCOME TRANSFERRED TO STATEMENT OF RETAINED EARNINGS	\$ 3,303,292	\$ 3,214,462

The accompanying notes are an integral part of
this financial statement.



NOVA SCOTIA LIGHT AND POWER COMPANY, LIMITED

Statement of Retained Earnings for the year ended December 31, 1965

	1965	1964
BALANCE—January 1st	\$11,911,575	\$10,869,938
Net Income	3,303,292	3,214,462
Miscellaneous non-operating adjustments—Net	21,943	(12,967)
	<hr/> 15,236,810	<hr/> 14,071,433
Dividends on Preference Shares	530,557	530,557
Dividends on Ordinary Shares	1,634,073	1,629,301
	<hr/> 2,164,630	<hr/> 2,159,858
Write off of unamortized share discount and expense	389,464	—
Appropriation to accident reserve	30,000	—
Vacation pay accrual net of tax	81,165	—
	<hr/> 2,665,259	<hr/> 2,159,858
BALANCE—December 31st	<hr/> <u>\$12,571,551</u>	<hr/> <u>\$11,911,575</u>

AUDITOR'S REPORT . . .

**NOVA SCOTIA LIGHT AND POWER COMPANY, LIMITED
AUDITORS' REPORT**

To the Shareholders,
Nova Scotia Light and Power Company, Limited:

We have examined the accompanying financial statements of Nova Scotia Light and Power Company, Limited for the year ended December 31, 1965, comprising the balance sheet as at that date and the statements of income and retained earnings for the year then ended and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion and according to the best of our information and the explanations given to us and as shown by the books of the company, the aforementioned financial statements are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the company as at December 31, 1965 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Riddell, Stead, Graham & Hutchison,
Chartered Accountants.

Halifax, N.S.
January 28, 1966

NOTES TO FINANCIAL STATEMENTS . . .

Note 1:

CAPITAL STOCK

Cumulative redeemable preference shares:

Authorized:

24,300 shares 6% (redeemed in 1954)
 20,000 shares 4% par value \$100
 127,572 shares 4½% par value \$100
 80,000 shares 5% par value \$50

Issued:

20,000 shares 4%
 77,572 shares 4½%
 40,580 shares 5%

1965

1964

	\$ 2,000,000	\$ 2,000,000
	7,757,200	7,757,200
	2,029,000	2,029,000
	<u>11,786,200</u>	<u>11,786,200</u>

All preference shares are redeemable at the option of the company at 105% of the par value of each share.

Ordinary shares of no par value:

Authorized:

2,500,000 shares

Issued:

1,635,845 shares (1964—1,631,059)

11,330,946	11,223,483
<u>\$23,117,146</u>	<u>\$23,009,683</u>

During the year 4,786 shares were issued for cash of \$107,464 to the trustees of the employees' stock purchase plan.

Note 2:

LONG TERM DEBT

First mortgage sinking fund bonds:

Series	Maturity	Issued	Redeemed		
3¾%	July 2/68	\$ 3,000,000	\$ 687,000	\$ 2,313,000	\$ 2,356,000
3⅓%	May 1/71	7,500,000	1,984,000	5,516,000	5,758,000
3½%	Nov. 1/72	1,500,000	309,000	1,191,000	1,216,000
3⅔%	Sept. 1/73	3,000,000	536,000	2,464,000	2,512,000
4⅛%	July 2/74	2,100,000	387,000	1,713,000	1,804,000
4%	May 1/75	4,000,000	497,000	3,503,000	3,561,000
5½%	June 1/77	4,000,000	386,000	3,614,000	3,673,000
6%	Dec. 1/77	4,000,000	393,000	3,607,000	3,723,000
5¾%	Apr. 1/84	10,000,000	99,000	9,901,000	10,000,000
		<u>\$39,100,000</u>	<u>\$5,278,000</u>	<u>33,822,000</u>	<u>34,603,000</u>

Less long term debt payable within one year shown as current liabilities

404,000	572,000
<u>\$33,418,000*</u>	<u>\$34,031,000</u>

Long Term Debt

Sinking fund payments are required annually of an amount at least equal to one per cent of the aggregate principal amount of bonds issued plus an amount equal to the annual interest on all such bonds previously redeemed through the Sinking Fund.

Note 3:

COST OF POWER GENERATED AND PURCHASED

Expense for the year has been reduced by \$131,843 representing a rebate of 1964 fuel costs.

Note 4:

INTEREST

Bond interest

\$ 1,624,933	\$ 1,365,095
25,431	57,379
610,520	484,787
<u>635,951</u>	<u>542,166</u>
<u>\$ 988,982</u>	<u>\$ 822,929</u>

Net Interest

OFFICERS

A. S. FRASER <i>Vice-President</i>	J. C. MacKEEN <i>Chairman of the Board</i>	G. D. STANFIELD <i>Vice-President</i>
I. B. JAMIESON <i>Treasurer</i>	A. R. HARRINGTON <i>President and General Manager</i>	C. N. KENNEDY <i>Comptroller and Assistant Treasurer</i>

H. B. BRIGGS	Halifax
President and General Manager, Pyke Brothers Limited	
F. M. COVERT, Q.C., O.B.E., D.F.C.	Halifax
Senior Partner, Stewart, MacKeen & Covert	
C. W. DEAN	Yarmouth
President, Yarmouth Royal Store Limited	
A. S. FRASER	Montreal
President, Investment Foundation Limited	
A. R. HARRINGTON	Halifax
President and General Manager, Nova Scotia Light and Power Company, Limited	
HON. G. B. ISNOR, Senator	Halifax
Proprietor, Gordon B. Isnor's Stores	
R. A. JODREY, D.C.L.	Hantsport
President, The Minas Basin Pulp and Power Company, Limited	
J. H. M. JONES, D.Eng.	Montreal
President, Bowaters Canadian Corporation Limited	
J. C. MacKEEN, D.C.L.	Halifax
Chairman, Moir's Limited	
A. D. STAIRS	Halifax
President, Wm. Stairs, Son & Morrow, Limited	
DENIS STAIRS, O.B.E., M.C., D.Eng.	Montreal
President, Newfoundland Light and Power Company, Limited	
G. D. STANFIELD	Halifax
President, Starr Manufacturing Works Limited	

AUDITORS

RIDDELL, STEAD, GRAHAM & HUTCHISON Halifax

TRANSFER AGENTS

EASTERN & CHARTERED TRUST COMPANY Halifax, Montreal and Toronto

REGISTRARS

THE ROYAL TRUST COMPANY Halifax and Montreal
MONTREAL TRUST COMPANY Halifax, Montreal and Toronto

HEAD OFFICE

CAPITOL BUILDING Halifax, Nova Scotia

The Company's ordinary stock is listed on the Montreal and Toronto Stock Exchanges.





WE WILL . . .

Be good citizens by furthering the economic, cultural and civic progress of every community we serve. Co-operate fully with Civic and Provincial Governments and other agencies who are working to promote the growth and industrial development of Nova Scotia.

Operate our business efficiently so that we can maintain low rates for our customers, fair wages for all employees and a satisfactory return for our stock-holders.

Be honest and courteous to our customers, furnish dependable and continuous electric service, and keep the customers and public fully informed about our business.

Promote the welfare of all employees through the maintenance of good working conditions, equitable compensation, and provisions for future security.

Support and encourage the efforts of all employees which lead to a more satisfactory career in our business and a fuller and more rewarding life for them and their families in the communities in which they live.

